SITE PERMIT

FOR CONSTRUCTION OF A

LARGE ELECTRIC POWER GENERATING PLANT

IN

RICE COUNTY, MINNESOTA

ISSUED TO

FARIBAULT ENERGY PARK, LLC.

MEQB DOCKET NO. 02-48-PPS-GEP

In accordance with the requirements of Minnesota Statutes section 116C.57 and Minnesota Rules chapter 4400, this Site Permit is hereby issued to:

FARIBAULT ENERGY PARK, LLC.

Faribault Energy Park, LLC is authorized by this permit to construct a new 250 megawatt natural gas and fuel oil-fired large electric power generating plant and associated facilities on a site in the city limits of Faribault, Minnesota, identified in this Permit and in compliance with the conditions specified in this Permit.

STATE OF MINNESOTA ENVIRONMENTAL QUALITY BOARD

Robert A. Schroeder

Chair

Issued: May 20, 2004

I. SITE PERMIT

The Minnesota Environmental Quality Board hereby issues this Site Permit to Faribault Energy Park, LLC, pursuant to Minnesota Statutes section 116C.57 and Minnesota Rules chapter 4400 to construct a 250 megawatt natural gas and fuel oil-fired power plant and associated facilities on a site in Rice County, Minnesota, within the city limits of the City of Faribault, more specifically designated in this Permit.

II. PROJECT DESCRIPTION

The large electric power generating plant authorized by this Permit is a combined cycle plant. The facility will utilize both a combustion turbine generator, which uses hot gases to generate electricity, and a heat recovery steam generator, which uses the hot gases to produce steam that is used to generate electricity. The facility will be fueled with both natural gas and fuel oil. The facility will have the capacity to generate up to 250 megawatts of electricity. The Permittee may elect to install the combustion turbine first and operate the facility for a period of time before installing the heat recovery steam generator.

III. DESIGNATED SITE

The site approved by the EQB in this Permit is a 37 acre site in the southwest quarter of the northeast quarter of Section 13, Township 110 north, Range 21 west, about 2.5 miles north of downtown Faribault. The site is on the west side of Highway 76 and south of 170th Street West. It is the site preferred by the applicant. The site is more specifically described in the permit application and in the Environmental Impact Statement and is shown in the attached map.

IV. PERMIT CONDITIONS

The following conditions shall apply to the construction of the facility on the designated site.

A. Site Plan. At least ten days prior to commencing construction, the Permittee shall submit to the EQB a site plan showing the location and placement of the various structures to be constructed, including all electrical equipment, pollution control equipment, roads, and other associated facilities. The Permittee shall have the right to move or relocate any of these structures after construction commences, but the Permittee shall file an amended site plan with the EQB prior to implementation.

B. Construction Practices

- **1. Application.** The Permittee shall follow those specific <u>construction</u> practices and material specifications described in the Application, unless this Permit establishes a different requirement in which case this Permit shall prevail.
- 2. Field Representative. At least ten days prior to commencing construction, the Permittee shall advise the EQB in writing of the person or persons designated to be the field representative for the Permittee with the responsibility to oversee compliance with the conditions of this Permit during construction. This person's address, phone number, and emergency phone number shall be provided to the EQB, who may make the information available to local residents and public officials and other interested persons. The Permittee may change its field representative at any time upon written notice to the EQB.
- 3. Roads. At least ten days prior to commencing construction, the Permittee shall advise the EQB and other appropriate governing bodies having jurisdiction over roads, of all state, county, and township roads that will be used during construction of the project. Where practical, existing roadways shall be used for all activities associated with construction of the facility. Where practical, all-weather roads shall be used to deliver heavy components to and from the site. The Permittee shall, prior to the use of such roads, make satisfactory arrangements with the appropriate state, county, and township governmental bodies having jurisdiction over the roads to be used for construction, for repair and maintenance of those roads that will be subject to extra wear and tear due to transportation of equipment and materials. The Permittee shall notify the EQB of such arrangements upon request of the EQB.

B. Completion of Construction.

- 1. Plans and Specifications. Within sixty days after completion of construction of the facility, the Permittee shall submit to the EQB the "as built" plans and specifications. If the project is to be developed in phases (i.e., Phase I construction of the simple cycle unit and Phase II construction of the combined cycle unit), the Permittee shall submit the as-built plans and specifications after completion of each phase.
- **2. GPS Data.** Within sixty days of completion of construction, the Permittee shall submit to the EQB, in the format requested by the EQB, geo-spatial information (GIS compatible maps, GPS coordinates, etc.) for the power plant and associated facilities.

- C. Other Requirements. The Permittee shall comply with all applicable state rules and statutes. The Permittee shall obtain all required permits for the project and comply with the conditions of these permits. A list of the anticipated permits and associated environmental approvals required for the project are listed on Table 24 of the Draft Environmental Impact Statement and in the comment section of the Final EIS.
- **D. Delay in Construction.** If the Permittee has not commenced construction or improvement of the route within four years from the date of issuance of this Permit, the EQB shall consider suspension of the Permit in accordance with Minn. Rules part 4400.3750.

E. Special Conditions.

- 1. Phased Construction. The Permittee may elect to install the combustion turbine first and operate the facility for a period of time before installing the heat recovery steam generator. The Permittee shall notify the EQB in writing within ten days after deciding how to proceed. If the project is to be developed in phases (i.e., Phase I construction of the simple cycle unit and Phase II construction of the combined cycle unit), the requirements of this permit shall apply to each phase.
- 2. Created Wetland. The Permittee shall construct the wetland and the interpretive park around the created wetland, as envisioned in the Site Permit Application, and have both completed before the facility is placed into operation
- 3. Lighting. The Permittee shall provide exterior lighting for the facility for security and safety throughout the generating facility. Illumination levels will be in accordance with the Illuminating Engineering Society (IES) Handbook and code requirements. To reduce the visibility of the facility, the Permittee shall employ task lighting instead of flood or area lighting. The Permittee shall shield all outdoor lights and direct the lighting toward the ground as much as practical.

V. PERMIT AMENDMENT.

This permit may be amended at any time by the Environmental Quality Board. Any person may request an amendment of this permit by submitting a request to the Chair in writing describing the amendment sought and the reasons for the amendment. The Chair will mail notice of receipt of the request to the Permittee. The EQB may amend the permit after affording the Permittee and interested persons such process as is required.

VI. TRANSFER OF PERMIT

The Permittee may request at any time that the Environmental Quality Board transfer this permit to another person or entity. The Permittee shall provide the name and description of the person or entity to whom the permit is requested to be transferred, the reasons for the transfer, a description of the facilities affected, and the proposed effective date of the transfer. The person to whom the permit is to be transferred shall provide the EQB with such information as the EQB shall require to determine whether the new permittee can comply with the conditions of the permit. The EQB may authorize transfer of the permit after affording the Permittee, the new permittee, and interested persons such process as is required.

VII. REVOCATION OR SUSPENSION OF THE PERMIT

The Environmental Quality Board may initiate action to revoke or suspend this permit at any time. The EQB shall act in accordance with the requirements of Minnesota Rules part 4400.3950 to revoke or sus pend the permit.

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